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CENTRAL INTELLIGENCE BULLETIN



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CENTRAL INTELLIGENCE BULLETIN

16 January 1959

DAILY BRIEF

I. THE COMMUNIST BLOC

II. ASIA-AFRICA

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Iraq: Prime Minister Qasim's order of 14 January, as written, denies the Communist-dominated Popular Resistance Force any security functions except in wartime or in an officially declared state of emergency, when it would operate under army control. The order may be the result of army pressure. The local Communist press has not printed the order. [redacted]

no
Cyprus: [The foreign ministers of Greece and Turkey apparently intend to meet in Paris on 18 January in an effort to break the deadlock in their current exchanges over Cyprus. Turkey is demanding a military base on the island but is probably willing to compromise for NATO base arrangements. Turkey is also insisting on additional guarantees to protect Turkish-Cypriot minority rights. Political pressures in both Greece and Turkey continue to hamper efforts to reach a compromise.] [redacted]

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I. THE COMMUNIST BLOC

II. ASIA-AFRICA

The Iraqi Internal Situation

Prime Minister Qasim's order defining the role of the Communist-dominated Popular Resistance Force (PRF) and the newly formed Iraqi Students' Union seems to be a tactical maneuver in answer to army pressure. Now placed directly under army command in case of war or officially declared emergency conditions, the PRF and Students' Organization were warned against taking the law into their own hands and authorized to act only under specific army directives. Anyone violating Qasim's order was threatened with quick retribution for a breach of public security. Baghdad's Communist papers have not printed the order, but one commented ambiguously.

The PRF was formed immediately after the 14 July coup. Modeled on the similar Syrian organization, it soon became a target of Communist penetration. Its leadership is believed to have been captured by the Communists almost immediately. Throughout the fall and early winter the PRF, under Communist direction, engaged in harassment against pro-UAR elements as well as Westerners. Widespread disorders in Basra last month cowed the local garrison, while PRF forces ranged through the town searching cars and broke into several foreign properties. Outbreaks have occurred in Baghdad, as well as other provincial towns.

A "call by the unions" of Basra on 13 January for training of port and oil company workers in the use of weapons and incorporation in the PRF suggests that the Communists are gaining ascendancy within the labor movement there. This situation and the prospect of a rival armed force may have alarmed army leaders. As early as 20 July an order was issued by the military closing all unofficial PRF "voluntary enlistment centers."

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ok

India: Although India is unlikely to fulfill more than 80 percent of the original goal of its Second Five-Year Plan (1956-61), India's leaders are thinking in terms of a considerably larger third five-year plan (1961-66). Nehru is worried about China's economic progress and probably believes he has no choice but to "think big." A plan of the magnitude being considered would be beyond India's financial resources and would probably cause a foreign exchange gap of several billion dollars. India would continue to look to Western and Communist nations for the necessary financial aid.

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III. THE WEST

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Cuba: Refugees from various Latin American rightist regimes are seeking Fidel Castro's support to unseat these regimes. The Dominican Republic is likely to be the chief target, but leaders of the Caribbean Legion, an irregular military force of professional revolutionaries active a decade ago, are pressing for prior action against Nicaragua.

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**IV. SIGNIFICANT INTELLIGENCE
REPORTS AND ESTIMATES**

(Available during the preceding week)

NIE 11-4-58. Main Trends in Soviet Capabilities and
Policies, 1958-1963. 23 December 1958

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NIE 33-58. Prospects for Turkey. 30 December 1958.

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Cyprus

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[Greek Foreign Minister Averoff and Turkish Foreign Minister Zorlu will meet in Paris on 18 January in an attempt to resolve differences which threaten to cause a breakdown in current bilateral negotiations for a Cyprus settlement. If the meeting results in elimination of the present difficulties, a subsequent meeting of the premiers of the two countries is envisaged. It is not clear, however, how such a meeting could reconcile the deep-seated differences. The Greek Government already blames British "maneuvering" in opposition to a Greek-Turkish rapprochement for adding to the difficulties and will probably lay primary blame on Britain if the negotiations collapse.]

[The exchange of views between Athens and Ankara, which has been going on since mid-December, has resulted in agreement on several provisions for a settlement but now is snagged on two issues. Turkey insists on a military base on Cyprus, either occupied solely by Turkish troops or by Turkish, Greek, and British forces. Athens rejects this demand, although a compromise settlement establishing a NATO base on Cyprus eventually might be achieved. The other problem involves Ankara's demand for something more than an official Greek guarantee to protect Turkish-Cypriot minority rights. At present, however, Athens refuses to go beyond a "guarantee in principle."]

[In Greece, and among the Greek Cypriots, there is bitterness over recent British failure to proceed faster toward ending the emergency regulations--including the exile of Archbishop Makarios. A truce proclaimed by EOKA on 24 December, however, remains in effect. The Greeks hope that the British Labor party will win the UK general elections expected this year, believing Labor will be more favorably inclined to the Greek Cypriot cause. A subcommittee of the British Labor party, recently called on the British Government to suspend security operations on Cyprus and to proclaim its willingness to abandon the Macmillan plan.]

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India Drafting Enlarged Third Five-Year Plan

India apparently is drafting a third five-year plan (1961-66) which calls for the expenditure of nearly \$21 billion. This is 54 percent over the \$13.5 billion likely to be expended during the Second Five-Year Plan (1956-61), which is expected to attain only 80 percent of the original investment goal. To reach third-plan targets, the government and private enterprise would have to increase their expenditures by 59 and 42 percent respectively over the likely outlays during the period of the second plan.

Such a plan is beyond India's financial capabilities, particularly in view of the low level of foreign exchange reserves and the large foreign obligations that fall due during the third-plan period. If, as seems likely, India attempts to increase industrial as well as agricultural production sharply, the plan probably will include a foreign exchange gap of several billion dollars.

Prime Minister Nehru believes India must "think big" to keep pace with Communist China's "giant leap forward" and offset India's rising rate of population growth. He is evidently prepared, in spite of India's current financial difficulties, to override the advice of both foreign and domestic financial circles that the third plan should concentrate on consolidating past gains rather than attempt further rapid economic expansion. Nehru apparently believes he has no choice but to increase the pace of economic development, counting on Western and Soviet bloc interest to result in sufficient foreign aid to enable India to fulfill the plan. The Ministry of Finance, which is opposed to such a large plan, may succeed in cutting it somewhat, but reducing the plan would be politically difficult should it become public knowledge.

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Cuba May Become Center for Plotting Against Latin American Dictators

Refugees from various Latin American rightist regimes are already congregating in Cuba seeking Fidel Castro's support in overthrowing these regimes. Chief among the new arrivals is "General" Miguel Angel Ramirez, Dominican exile and leader of the long-dormant Caribbean Legion, which he is now attempting to reactivate. The legion, an irregular military force of professional revolutionaries and idealists dedicated to ousting Caribbean and Central American dictators, was decisive in Jose Figueres' victory in the 1948 Costa Rican civil war but failed in subsequent attempts against the Somoza regime in Nicaragua and Dominican dictator Trujillo. Ramirez led an earlier abortive plot against Trujillo in 1947 in which Fidel Castro, then a 21-year-old student, took part.

Leaders of the new Cuban Government, including Provisional President Urrutia, have publicly declared their sympathy for any future efforts against dictators remaining in the hemisphere. Members of Castro's rebel army are quoted as saying that they have sworn to carry their "crusade" against dictators to other countries.

Generalissimo Trujillo of the Dominican Republic, who was openly sympathetic to Batista and granted him asylum, is probably the dictator most hated by the new Cuban leaders. However, General Ramirez and several Nicaraguan exiles recently arrived in Cuba are seeking Castro's aid for an invasion of Nicaragua, where the sons of the late dictator head a government considerably more liberal than their father's. The unstable government of President Duvalier in Haiti fears Castro, who appears to be siding with the opposition.

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